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issues and reserves, the Canadian banks have been able to supply the community with the needed facilities in a singularly complete degree, when, where and as they were needed, in times of crisis no less than in those of prosperity, and at remarkably uniform charges. The currency of the Canadian banks, whether in the form of the note or of the deposit, has been as elastic and automatic in its action as anything well could be, swift to expand or to contract according to the varying requirements of exchange.

Altogether, from whatever point it be studied, the Canadian banking system in its present form, after the revision of 1890, presents one of the most interesting examples of successful dealing with the banking problem to be found anywhere in modern legislation. To those who are searching for the lines on which to reform our own system, it will be found full of suggestion; and to them is to be especially commended Dr. Breckenridge's monograph for its lucid, accurate, thoughtful and discriminating treatment of a system which had never before had its due share of recognition.

A. C. M.

Honest Money. By ARTHUR I. FONDA. New York: Macmillan & Co., 1895. 12mo. pp. ix+209. 2 Charts.

THERE is much clear exposition of fundamental principles of money in Mr. Fonda's book, even if it makes no pretense to originality. An impartial attempt is made, on the basis of a study of existing treatises, to find the good and the bad in the opposing arguments for gold and for silver, and to strike a judicial balance, and occasionally there is an attempt at independent treatment. For the advanced student of money there is nothing new; for the general reader there is some good, mixed with some very questionable, teaching.

The writer discusses plainly the primary ideas of value and the functions of money; then he compares the operation of a single gold standard, a single silver standard, bimetallism, and paper money. These general principles are applied to the existing forms of money in the United States, and give rise to many just criticisms. His peculiar views about paper money, however, lead him to favor the policy of government issues. Finally, having previously shown the difficulties arising from using gold or silver, or any one or two commodities, as a standard for long payments, he proposes as a solution of all our monetary difficulties, a modification of the multiple unit of payment. By weight-

ing the list of prices according to their relative importance, he finds the list may be bought by a certain number of dollars. The unit, to be defined by law, is the average purchasing power of one dollar. If the sum of the list is eleven dollars, this unit is one-eleventh of "the sum of values" in the list (p. 161). This unit should appear in the form of a legal tender paper money, "redeemable in any commodity at its current market price." To get the money into circulation the government is to loan it on approved securities, state bonds, warehouse receipts, first-class commercial paper, etc.; in short, the government is to go extensively into banking operations.

Questions on which there might be grave differences of opinion are taken for granted, *e. g.*, "Money, therefore, possesses an indirect, if not a direct, subjective value which forms the basis of its exchange value. Paper money possesses the power of satisfying this need for money to the same extent that coin does, under like conditions, and it has, therefore, both subjective value and exchange value, and the latter is governed by the same law of supply and demand that operates in all cases" (p. 23). The writer carries the "quantity theory" to its fullest extreme by holding that, the production of paper money being a monopoly, its value can be entirely fixed by the issues through the supply. "The supply of money in any country depends directly and primarily on the legislation of that country" (p. 36). The vital mistake in this theory is that the government can maintain "that constant relation between the supply of, and the demand for, money which is essential to its stability of value." That governments should set out to regulate prices by changing the quantity of money is a possibility too frightful to contemplate seriously. That can never be the way by which justice between debtors and creditors in long contracts can be attained.

Some of the other statements raising criticism are the following: Money is essentially a creature of the law (p. 53); the government controls in all cases the volume of money by specifying the metals of which it is made (*ibid.*); gold regulates the value of a country's money only by limiting the volume of the whole by its scarcity (p. 55); the value of inconvertible paper is determined wholly by issues relative to the demand (p. 75); disaster in inconvertible paper has been always due to excessive issues (*ibid.*); the English system of money is expensive, clumsy, and inefficient (p. 79); the rise of prices in the Civil War was due to the decrease of supply caused by destroying thousands of

men, etc. (p. 90); credit does not increase facilities of exchange in proportion to the work to be done since 1873 (p. 93); the annual product of gold has not increased (*ibid.*), when it is now the greatest in history; paper money in the United States is not kept equal to gold by redemption, but by the fact that their *utilities* are equal (p. 127); national banks make a profit by issue of notes, rather than by discounts (p. 129).

J. LAURENCE LAUGHLIN.

Socialism. By ROBERT FLINT. London: Isbister & Co.; Philadelphia: J. B. Lippincott & Co., 1895. 8vo. pp. 512.

THE first eight chapters (298 pages out of 498) of this volume are, for the greater part, rewritten from lectures delivered "before an audience chiefly of workingmen," and afterward published as a series of papers in *Good Words*. Still it is a work which aspires to some scientific standing, as will appear from a glance at its table of contents. There are chapters on the History of Socialism, Socialism and Labor, Socialism and Capital, the Nationalization of Land, the Collectivisation of Capital, Socialism and Social Organization. The two hundred pages not based on the author's lectures are still more significant of a serious purpose; they deal with the questions of Socialism and Democracy, Socialism and Morality, Socialism and Religion.

Professor Flint sets out with many citations of definitions of his subject from various writers and then gives his own definition (p. 17), which reads: "Socialism is any theory of social organization which sacrifices the legitimate liberties of individuals to the will or interests of the community." He goes on to say (pp. 17-18): "I do not think we can get much farther in the way of definition. The thing to be defined is of its very nature vague, and to present what is vague as definite is to misrepresent it. No definition of Socialism at once true and precise has ever been given or ever will be given. For Socialism is essentially indefinite, indeterminable. It is a tendency and movement towards an extreme. . . . Socialism is the exaggeration of the rights and claims of society, just as Individualism is the exaggeration of the rights and claims of individuals. The latter system rests on excessive or exclusive faith in individual independence; the former system rests on excessive or exclusive faith in social authority." This is, of course, a definition which involves a condemnation of that which it sets out to characterize, and is therefore an unfortunate defini-